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March 31, 2011

Chairman Daniel R. Elliott III
Surface Transportation Board
395 E Street, S. W.
Suite 1220
Washington, DC 20423-0001

RE: Ex Parte No. 705

Dear Chairman Elliott:

I am writing concerning the STB proceeding in Ex Parte No. 705, the purpose of which is to review competition in the railroad industry. My company, James River Coal Company, is engaged in the mining of bituminous coal in the states of Kentucky, West Virginia, and Indiana. Railroads, mainly Norfolk Southern, are key to our survival as they haul large quantities of coal from our coal mines and other coal mines to our customers' power plants.

Since the passage of the Staggers Act in 1980, the railroads have evolved from being an industry in serious decline to an industry that is competing in the freight transportation world. One of the main reasons for this success is the foresight shown by Congress, the Interstate Commerce Commission before 1996, and the STB after that time in providing the appropriate regulatory structure that promotes, enhances and grows the railroad industry. I applaud our government for nurturing the rebirth of our railroad industry.

I know that some customers believe that changing the regulatory structure will benefit their own specific interests. However, such a shift actually could harm many more shippers in the long run. We are very concerned that allowing customers to segment routes or forcing railroads to provide access to one another will have adverse consequences on our shipments. The difficulties of operating in the Eastern coal fields and the capacity limitations would make it extremely difficult, if not impossible, for railroads to coordinate operations. We are afraid that less coal would be shipped, which would not be good for coal production, electricity generation, or the booming export coal market. Further, we are concerned that railroads would have to spend an excess amount of their limited capital resources trying to build additional infrastructure to make these operations work rather than spending that money to expand capacity of track, buy new cars and new locomotives and hire and train additional workers which benefit all customers.

I appreciate your consideration of my views, and I hope the Board will work to ensure a healthy freight rail network that continues to provide a true public benefit to our nation.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter T. Socha", with a long horizontal flourish extending to the right.

Peter T. Socha
Chairman and CEO